Manitoba

Office of the Provincial Auditor

THE PUBLIC TRUSTEE OF MANITOBA

Auditor's Report and Financial Statements
for the year ended March 31, 1986

Manitoba

91-02996/

THE PUBLIC TRUSTEE OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Public Trustee of Manitoba for the fiscal year ended March 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of affairs of the estates and trusts under jurisdiction of the Public Trustee as at March 31, 1986 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

August 8, 1986,
Winnipeg, Manitoba.

Exhibit A

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Balance Sheet of estates and trusts under administration
as at March 31, 1986
(with 1985 figures for comparison)

A S S E T S

	1986	1985
Cash on hand and in bank:		
General	$ 1,157,893	$ 433,247
Accountable advance	2,661	1,983
	1,160,554	435,230
Expenditures recoverable from estates and trusts (Note 2 (a))	4,839	5,312
Common fund investments (Notes 2(b) and 7)	58,182,325	49,344,599
Term deposits, investment certificates and treasury bills, at par value	2,658,306	2,267,668
Government of Canada and other bonds, at par value	10,425,653	13,857,231
Shares of capital stock and mutual funds (Note 2(c))	2,341,064	1,818,683
Annuity contracts (Note 2(d))	95,214	100,441
Accounts receivable (Note 2(e))	103,339	73,302
Rentals receivable (Note 2(e))	952	2,053
Notes receivable, principal (Note 2(f))	176,242	110,784
Mortgages and agreements receivable (Note 2(f))	67,974	64,682
Interests in other estates (Note 2(g))	6,075	2,145
Real estate (Note 2(h))	3,481,979	3,140,853
	$ 78,704,516	$ 71,222,983

L I A B I L I T I E S

Liabilities of estates:		
Mortgages, notes and agreements payable (Note 2(i))	$ 163,435	$ -
Public Trustee, fees payable (Note 3)	13,579	14,760
	177,014	14,760
Government of the Province of Manitoba:		
The Public Trustee accountable advance	7,500	7,500
Estates and trusts under administration: (Note 2)		
Excess of recorded value of assets over liabilities:		
The Mental Health Act	54,464,014	50,229,024
The Public Trustee Act	24,055,988	20,971,699
	$ 78,704,516	$ 71,222,983

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Statement of Receipts and Disbursements
for the year ended March 31, 1986
(with 1985 figures for comparison)

R E C E I P T S

	1986	1985
Funds held by estates and trusts brought under administration	$ 6,041,369	$ 5,552,455
Realization of equities in other estates	863,093	706,121
Pensions, compensation and assistance	9,337,978	8,354,158
Sickness, disability and other insurance benefits	1,368,079	853,955
Collections on account of:		
Accounts receivable	95,458	74,439
Rentals and leases receivable	216,027	312,072
Mortgages and agreements receivable	38,965	27,283
	350,450	413,794
Sale of chattels	129,537	181,325
Sale of real estate	1,016,163	831,986
Interest - bonds and investment certificates	8,216,717	7,071,851
Dividends	108,453	64,029
Bank interest	61,547	8,314
Statutory fees collected (Note 4)	7,073	11,123
Total receipts, before sale or redemption of securities	27,500,459	24,049,111
Sale or redemption of securities	48,147,052	21,248,996
Cash on hand and in bank at beginning of year	433,247	798,961
	$ 76,080,758	$ 46,097,068

D I S B U R S E M E N T S

	1986	1985
Payments on account of:		
Accounts payable discharged	$ 270,517	$ 121,940
Mortgages and agreements payable	94,559	26,081
Real estate purchases	7,479	29,855
	372,555	177,876
Maintenance:		
Maintenance incurred in hospitals prior to June 30, 1958	139,368	164,096
Board, room and other expenses (Note 5)	8,073,994	6,193,294
	8,213,362	6,357,390
Preservation of estates:		
Realty and income taxes	921,026	671,884
Insurance	39,228	26,013
Repairs	73,721	54,253
Sundry	583,882	516,362
	1,617,857	1,268,512
Support of dependents	67,999	60,259
Administration and passing of accounts (Note 3)	2,278,834	1,845,152
Burial expenses	520,499	454,334
Estates and trusts released from administration	7,965,884	6,195,410
Statutory fees remitted (Note 4)	7,073	11,123
Total disbursements, before purchase of securities	21,044,063	16,370,056
Purchase of securities	53,878,802	29,293,765
Cash on hand and in bank at end of year	1,157,893	433,247
	$ 76,080,758	$ 46,097,068

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1986

1. Role and Objective

The Public Trustee acts on behalf of persons affected by various disabilities, mental disorders, age and death. The Public Trustee is considered to be an appointment of last resort and therefore provides a public service, generally, where there is no competent or acceptable person available to provide the required service.

2. Significant Accounting Policies

Statement of Receipts and Disbursements

The Statement of Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position on a modified accrual basis with the following exceptions:

A. Assets

All known assets are included in the Balance Sheet except for chattels, which are accounted for in separate accounting records, and accruals on investment earnings.

B. Liabilities

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(i).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Expenditures Recoverable from Estates and Trusts

Expenditures recoverable from estates and trusts represent disbursements made on behalf of estates or trusts for which funds were not immediately available; these expenditures will be charged to the estates or trusts concerned in due course when funds become available. If funds do not become available, these expenditures are recovered from an appropriation of the Department of the Attorney-General, Province of Manitoba.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1986

b) Common Fund Investments

Investments of the common fund, established pursuant to Section 7.1(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

c) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of $1.00.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of $1.00 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of $1.00 are used.

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to $2,340,963 (1985 - $1,818,570), with the balance of the account representing share certificates of a nominal value of $1.00 each.

d) Annuity Contracts

Determinable receivables amount to $94,884 at March 31, 1986 (1985 - $100,123), with the balance of the account represented by receivables recorded at a nominal value of $1.00 each.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1986

e) Accounts Receivable and Rentals Receivable

Determinable accounts receivable and rentals receivable amount to $103,694 at March 31, 1986 (1985 - $74,819), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of $1.00 each.

f) Notes, Mortgages and Agreements Receivable

Notes, mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is not recorded by the Public Trustee until such time as it is received.

g) Interests in Other Estates

Determinable interests in other estates amounts to $6,018 at March 31, 1986 (1985 - $2,092), with the balance of the account represented by interests in other estates recorded at a nominal value of $1.00 each.

h) Real Estate

Real estate is valued at a multiple of five times the assessed value on the property tax notice and amounts to $3,481,684 at March 31, 1986 (1985 - $3,140,578); the balance of the account, represented by burial plots, mines and mineral rights and mobile homes, are recorded at a nominal value of $1.00 each.

i) Mortgages, Notes and Agreements Payable

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of these liabilities. Interest due and accrued during administration is not recorded until it is paid.

3. Administration Fees

Under Section 10 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1986

4. Statutory Fees

Under Section 84(3) of The Queen's Bench Act and Section 82 of The Surrogate Courts Act, the Public Trustee of Manitoba provides legal services for estates and trusts not under his administation. Fees for these services are recorded as receipts and remitted to the Government of the Province of Manitoba.

5. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, including clothing, comforts, medical, nursing home costs, etc., during periods of supervision, probation and hospitalization.

6. Administration Costs

Administration costs of the Public Trustee of Manitoba are paid out of appropriations of the Government of the Province of Manitoba and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

7. Common Fund - Summary of Investments

The investments of the Common Fund consist of the following:

	1986 Par Value	1986 Book Value	1985 Book Value
Term deposits and investment certificates	$ 13,600,000	$ 13,600,893	$ 7,304,022
Government of Canada bonds	32,540,000	33,006,669	34,067,999
Province of Manitoba bonds	4,150,000	4,144,997	4,141,293
Province of Ontario bonds	1,900,000	1,896,027	1,894,129
Ontario Hydro-Electric bonds	4,600,000	4,836,889	542,419
B.C. Housing and Employment Development Financing Authority bonds	-	-	700,000
Federal Business Development Bank Euro-Canadian debentures	700,000	696,850	694,737
	$ 57,490,000	$ 58,182,325	$ 49,344,599